



RESEARCH
PROGRAM ON
Roots, Tubers
and Bananas



Training report: Business skills for potential sweetpotato silage entrepreneurs

*Expanding Utilization of Roots, Tubers and Bananas
and Reducing Their Postharvest Losses*



November 2016



A broad alliance of
research-for-development
stakeholders & partners



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Expanding Utilization of Roots, Tubers and Bananas and Reducing Their Postharvest Losses (RTB-ENDURE) is a 3 year project (2014-2016) implemented by the CGIAR Research Program on Roots, Tubers and Bananas (RTB) with funding by the European Union and technical support of IFAD.
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The CGIAR Research Program on Roots, Tubers and Bananas (RTB) is a broad alliance led by the International Potato Center (CIP) jointly with Bioversity International, the International Center for Tropical Agriculture (CIAT), the International Institute for Tropical Agriculture (IITA), and CIRAD in collaboration with research and development partners. Our shared purpose is to tap the underutilized potential of root, tuber and banana crops for improving nutrition and food security, increasing incomes and fostering greater gender equity, especially among the world's poorest and most vulnerable population.



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1. INTRODUCTION

1.1. BACKGROUND

The ‘Expanding Utilization of Roots, Tubers and Banana and Reducing Their Postharvest Losses’ (RTB-ENDURE) is a three-year project that is being implemented in Uganda. The goal is to contribute to improved food security and incomes for RTB-producing communities in East Africa, including producers and other stakeholders along the value chain. This initiative addresses postharvest management of RTB crops and explores potentials for expanding the utilization of potato, sweetpotato, banana and cassava, and repositioning them as added value crops.

Four research sub-projects are operational: (i) ambient storage and improved agronomic practices in a bid to reduce postharvest losses and extend the marketing period for ware potato; (ii) agronomic practices, waxing and relative humidity storage for fresh cassava roots to extend shelf-life and capture emerging markets opportunities; (iii) sweetpotato silage to mitigate animal feed constraints faced by smallholder pig farmers; and (iv) promotion of cooking banana varieties with intrinsic longer shelf life, sucker staggering and storage to even out market supply and promote product differentiation.

CHAIN-Uganda and VEDCO were mandated under the sweetpotato sub-project to strengthen the business skills of potential sweetpotato silage entrepreneurs. After selecting 16 potential sweetpotato silage business entrepreneurs from both Kamuli and Masaka districts, a capacity need assessment was conducted to determine their knowledge gaps in business management and entrepreneurship (Appendix 1). Thereafter, a training curriculum was developed. The curriculum was structured according to findings of the needs assessment and, for each module, the objective, outline, time for delivery and materials needed were clearly indicated (Appendix 2).

The curriculum includes the following modules:


1. Business enterprise
2. Marketing
3. Market Intelligence
4. Financial management
5. Record keeping

Following the curriculum, a four day business and entrepreneurial skills training for potential sweetpotato silage entrepreneurs was conducted by VEDCO in Kamuli district and by CHAIN Uganda in Masaka districts (detailed programs in Annex 1 and 2).

1.2. THE SWEETPOTATO SUB-PROJECT

The smallholder pig sector is rapidly growing in Uganda with 1.1 million households rearing about 3.5 million pigs. Women and children are mostly responsible for pig management. Pork consumption is also increasing, and Uganda ranks first in East Africa in terms of *per capita* consumption of pork at 3.4kg per year. Pigs play an important role in the livelihoods of poor families, including generating income to cover emergency needs and paying school fees; and also producing manure for crops. High fertility and short generation intervals make pig rearing potentially highly profitable, and a quick way for income generation.

Smallholder pig farmers in Uganda have identified feeding as one of the most important constraint in production, due to seasonality, poor quality of feeds and limited knowledge on supplementation strategies. Feeding costs represent 62-70% of the variable costs in smallholder farms in peri-urban



and rural settings. Among all feeds, commercial concentrates are the most expensive. Therefore, farmers make extensive use of crop residues, grasses, weeds, kitchen leftovers and agricultural by-products.

Sweetpotato (SP) vines were identified as the most commonly used fodder source in 35 out of 36 villages in Central Uganda during a research carried out by International Livestock Research institute (ILRI). SP is a good source of energy (roots) and protein (vines), and vitamins, but highly perishable. Therefore the sweetpotato sub-project is working to improve the utilization of SP vines and roots through SP silage making and trade in Kamuli and Masaka districts to help overcoming feeding constraints in pig production systems and improving the livelihoods of smallholder pig farmers in Uganda.

2. SCOPE AND OBJECTIVES OF THE TRAINING

The four day training sessions aimed to strengthen the entrepreneurship and business skills of potential sweetpotato silage entrepreneurs in Kamuli and Masaka and provide capacities needed to develop robust business plans for startup enterprises. The training consisted of the following modules:

2.1. BUSINESS ENTERPRISE

This comprised of nine different sessions and all aimed at enabling participants understand what a business is.

2.2. MARKETING

This module had six sessions aiming at helping participants understand basic marketing concepts and their functioning, the meaning and importance of market information and the need for a marketing committee and how to put one in place. It also helped participants understand gender roles in marketing of the silage business.

2.3. MARKET INTELLIGENCE

This module had five main sessions and these aimed at helping participants understand the importance of market information and market intelligence, appreciate the need to have updated market information, recognize the kind of market information they need, how they can use it and where and how to access updated market information.

2.4. FINANCIAL MANAGEMENT


The eight session module aimed at improving financial skills of silage entrepreneurs in Kamuli and Masaka districts.

2.5. RECORD KEEPING

The module had five main sessions and it aimed at helping participants understand the meaning, importance of keeping records and knowing how to keep basic agribusiness records.

3. STRUCTURE OF THE TRAINING AND PARTICIPANTS

Training participants were selected from the sub-counties in Kamuli and Masaka where the project is being implemented (three sub-counties in each district). They included the 16 potential silage individual entrepreneurs and farmers groups that had been previously identified for receiving



support in developing their own business plans (eight in each district). However, additional participants were offered the opportunity to join the training. Overall, the trainings were attended by 26 participants in Kamuli (19 M, 7F) and 15 in Masaka (11M, 4F). The full list of participants is presented in Annex 3 and 4. The four day trainings were conducted from 17th to 21st November 2016 in Kamuli district and from 21st to 24th November 2016 in Masaka district.

4. INITIAL EXPECTATIONS OF THE PARTICIPANTS

On the first day of the training, participants were given the opportunity to indicate their expectations from the training and these included;

- Types of records a silage business is supposed to keep
- How to access business financing
- How silage can be marketed
- The best business structure to be considered when formalizing a business

5. OVERVIEW OF THE PRESENTATIONS GIVEN

The **business enterprise** module included sessions on silage as a business venture in which participants were helped relate silage business to other businesses and therefore the need to give it similar attention. It also included a topic on considerations to start a business where different aspects necessary to create a successful enterprise were discussed. Other topics such as why consider silage as business, elements of silage as business, requirements for a successful silage business, characteristics of an entrepreneur, opportunity identifications and business innovation were also discussed.

The **marketing** module discussed the general market situation of silage business in the target districts including both internal and external factors that may affect its success. It also gave participants the opportunity to appreciate the need to understand their value proposition, market segments, distribution channels, customer relations, key partners to help business deliver proposed value to its customers and the different revenue channels to sustain business financial needs. It also included discussions on supply and demand and the need to respond to both for business efficiency. The marketing mix - where special attention was paid to the concepts of the *product, price, place* and *promotion* of silage product(s) - was also discussed to help participants understand the dimensional breadth of designing marketing strategies. Modalities to establish a marketing committee (and its importance and roles), branding and packaging and gender roles in marketing were also part of the module.

The module on **market intelligence** helped participants understand the need to gather and properly analyze information relevant to their silage enterprise in order to identify market opportunities and make accurate decisions related to strategies for market development and penetration.

The **financial management** module discussed the importance of applying general good management principles to financial resources of the participating silage making enterprises. The module made participants understand the different financial management statements - mainly cash flow and income statement - their composition, how to develop and use them in making business



decisions. The module also included a session on credit and savings where participants learned credit management and the importance of savings in business development.

The last session focused on **record keeping** and it aimed at making participants understand the importance of keeping business records, the records to keep, how to keep and use them and, finally, the possible risks of not keeping records.

Key topics and content of the different modules are presented in Annex 5.

6. OUTPUTS OF GROUP EXERCISE

During the first and second modules, participants were tasked to conceptualize their silage business models using the Business Model Canvas. This is a strategic management tool consisting of a simple template for developing new or documenting existing business models. It is a visual chart with elements describing a firm or product's value proposition, infrastructure, customers, and finances. The participants were divided into three groups and each group documented the ideas on provided template (see Annexes 6).


Another group exercise focused on how the different groups can improve market intelligence and it involved discussions on market information.

7. CONCLUSIONS

The entrepreneurship skills training for potential sweetpotato silage entrepreneurs in Kamuli and Masaka districts were successful. They provided an opportunity to silage entrepreneurs to understand and conceptualize their businesses, appreciate the need for financial management strategies as well as record keeping and different marketing concepts helping them to realize various mistakes that may lead to reduced profitability of their business enterprises and therefore to the need to revise general business strategy.

Annex 1. Training program - Kamuli (VEDCO, 17-21 November 2016)

Time	Topic	Persons
Day 1		
8:00am – 9:00am	Registration of participants	Mr. Kizito John
9:00am – 10:30am	BUSINESS ENTERPRISE <ul style="list-style-type: none"> - Introduction - Silage as business - Considerations to start a business 	Facilitator Mr. John kizito
10:30am – 11:00am	Health Break	Mr. Kizito John
11:00am – 1:00pm	<ul style="list-style-type: none"> - Why silage as business - Elements of silage as business - Requirements for a successful silage business 	Facilitator
1:00pm – 2:00pm	Lunch Break	Mr. Kizito John
2:00pm – 4:00pm	<ul style="list-style-type: none"> - Characteristics of an entrepreneur - Opportunity identification - Innovations 	Facilitator
Day 2		
9:00am – 10:30am	MARKETING <ul style="list-style-type: none"> - Current & desired market situation - Marketing as a group 	Facilitator
10:30am – 11:00am	Health Break	Mr. John Kizito
11:00am – 12:00pm	<ul style="list-style-type: none"> - Basic Marketing 	Facilitator
12:00pm – 1:00pm	<ul style="list-style-type: none"> - Marketing committee (Selection, importance and roles) 	Facilitator
1:00pm – 2:00pm	Lunch Break	Mr. John Kizito
2:00pm – 3:00pm	<ul style="list-style-type: none"> - Branding & packaging - Gender roles in Marketing 	Facilitator
3:00pm – 4:00pm	<ul style="list-style-type: none"> - Market intelligence (Meaning & Benefits) 	Facilitator
Day 3		
9:00am – 10:30am	MARKET INTELLIGENCE AND INFORMATION <ul style="list-style-type: none"> - Types of market information - Benefits of market intelligence - Market information systems 	Facilitator
10:30 – 11:00am	Health Break	Mr. John Kizito
11:00 – 12:00pm	<ul style="list-style-type: none"> - Market information used now - Available market information in your area 	Facilitator
12:00 – 1:00pm	Group Work <ul style="list-style-type: none"> - How to improve market intelligence 	Facilitator
1:00pm – 2:00pm	Lunch Break	Mr. John Kizito
2:00am – 4:00pm	FINANCIAL MANAGEMENT <ul style="list-style-type: none"> - Introduction - What is financial management? - Why keep financial records? - Importance of financial records 	Facilitator
Day 4		
9:00am – 10:00am	Cash Flow and income statements	Facilitator
10:00 – 10:30am	Developing financial statements	Facilitator
10:30 – 11:00am	Health Break	Mr. John kizito



11:00 – 12:00pm	Using and interpreting financial statements	Facilitator
12:00 – 1:00pm	Saving and credit	Facilitator
1:00 – 2:00pm	Lunch Break	Mr. John Kizito
2:00 – 3:00pm	RECORD KEEPING <ul style="list-style-type: none"> - What is record - What is recording keeping - What are business records - Importance of record keeping 	
3:00 – 5:00pm	<ul style="list-style-type: none"> - Different types of business records - How, where, what and when to keep business records 	Facilitator

Annex 2: Training program – Masaka (CHAIN Uganda, 21-24 November 2016)

PROGRAM FOR DAY 1

TIME	ACTIVITY	RESPONSIBLE PERSON
08:45 - 09:00	Arrival and Registration	CHAIN
09:00 – 09:05	Opening Prayer	Participant
09:05 – 09:20	Self-introductions	CHAIN
09:20 – 09:35	Setting ground rules	Time management, complete assignments, phones and movement.
09:35 – 09:50	Welcome remarks Opening workshop	Dr. Apollo
09:50 – 10:15	Expectations of the workshop	Consultant
10:15 – 10:30	Objectives of the workshop	Consultant
10:30 – 11:00	TEA BREAK	CHAIN
11:00 – 11:20	What is business	
11:20 – 01:00	understanding silage as business	Consultant
01:00 – 02:00	LUNCH	CHAIN
02:00 – 05:00	Silage business concept	Consultant
	BREAK OFF	

PROGRAM FOR DAY 2

TIME	ACTIVITY	RESPONSIBLE PERSON
08:45 - 09:00	Arrival and Registration	CHAIN
09:00 – 09:05	Opening Prayer	Participant
10:05 – 10:30	Recap of Day 1	Consultant
10:30 – 11:00	TEA BREAK	CHAIN
11:00 – 01:00	Marketing	Apollo & Consultant
01:00 – 02:00	LUNCH	CHAIN
02:00 – 04:00	Market intelligence	Consultant
	BREAK OFF	

PROGRAM FOR DAY 3

TIME	ACTIVITY	RESPONSIBLE PERSON
08:45 - 09:00	Arrival and Registration	CHAIN
09:00 – 09:05	Opening Prayer	Participant
09:05 – 09:35	Recap of Day 2	CHAIN
09:35 – 10:30	Finance Management	Consultant
10:30 – 11:00	TEA BREAK	CHAIN
11:00 – 01:00	Financial management	Consultant
01:00 – 02:00	LUNCH	CHAIN
02:00 – 05:00	Closing remarks	Participant
	BREAK OFF	

PROGRAM FOR DAY 4

TIME	ACTIVITY	RESPONSIBLE PERSON
08:45 - 09:00	Arrival and Registration	CHAIN
09:00 – 09:05	Opening Prayer	Participant
09:05 – 09:35	Recap of Day 3	CHAIN
09:35 – 10:30	Introduction to record keeping	Consultant
10:30 – 11:00	TEA BREAK	CHAIN
11:00 – 01:00	Basics of record keeping	Consultant
01:00 – 02:00	LUNCH	CHAIN
02:00- 04:00	Record keeping	Apollo
04:00 – 04:20	Closing remarks	Apollo
	BREAK OFF	

Annex 3: List of participants – VEDCO (Kamuli)

No.	NAME	GROUP	SUB COUNTY
1.	Mudhasi Paul	Kiwungu piggery farmers	Butansi
2.	Mirembe Betty	Kiwungu piggery farmers	Butansi
3.	Tape Ngonzi	Kiwungu piggery farmers	Butansi
4.	Kabaale Francis	Kiwungu piggery farmers	Butansi
5.	Idama	Kiwungu piggery farmers	Butansi
6.	Isabiryeeriot	Kiwungu piggery farmers	Butansi
7.	Balikitendakaloli	Bavubukatwekembe	Butansi
8.	Midafelix	Bavubukatwekembe	Butansi
9.	Nakyanzi Veronica	Bavubukatwekembe	Butansi
10	Mivulle Paul	Bavubukatwekembe	Butansi
11	Isabirye Robert	Isabirye Robert	Namwendwa
12	TwinoMujuni Stephen	TwinoMujuni	Bugulumbya
13	Asiimwe Dan	TwinoMujuni	Bugulumbya
14	Katono Miriam	TwinoMujuni	Bugulumbya
15	Badagawa George	St. Bruno	Bugulumbya
16	Batwawula Steven	St. Bruno	Bugulumbya
17	Musambira Ben	St. Bruno	Bugulumbya
18	Namulawayusufu	St. Bruno	Bugulumbya
19	Nabirye Margaret	St. Bruno	Bugulumbya
20	Kizito Nsubuga	VEDCO centre	Kamuli municipality
21	Kisitu Herbert	VEDCO centre	Kamuli municipality
22	Saadakitimbo	VEDCO centre	Kamuli municipality
23	Kasulubedheemma	VEDCO centre	Kamuli municipality
24	Balibuzani Ronnie	VEDCO centre	Kamuli municipality
25	Sembera John	VEDCO centre	Kamuli municipality
26	Kategere	VEDCO Centre	Kamuli Municipality

Annex 4: List of participants – CHAIN Uganda (Masaka)

No	NAME	DESIGNATION
1	Allen Matovu	Entrepreneur
2	Nsamba Deusdedut	Entrepreneur
3	Ntuume Charles	Entrepreneur
4	Lubuulwa Geoffrey	Entrepreneur
5	Mutyaba Teddy	Entrepreneur
6	Ssekyonda Sam	Entrepreneur
7	Sserwaniko Thomas	Center Manager
8	Katerega John	Center Manager
9	Numiyiga Teopista	Farmer
10	Mugulula Joseph	Farmer
11	Ssemujju Francis	Farmer
12	Namuli Suzan	Farmer
13	Nalubega Getrude	Farmer
14	Kato John	Center Technician
15	Musoke Charles	Vines Seed Specialist+

Annex 5: Key topics and content of the training

BUSINESS ENTERPRISE (Module 1)

The major objective of this session was to ensure participants' understanding of what business is.

What is a business?

A business is an activity that aims to earn profit through providing a product or service. Silage production as a business should be built on the principles of improving silage production to profitably penetrate market. It should aim at increasing profits and ensure sustainability of output.

Important concepts of a business

Profit (P): Money gained by a business after subtracting all production costs (TC).

Profit = Selling Price x Quantity/Yield minus Total Cost of Production.

Total Revenue (TR) = Selling Price x Yield

Therefore, **Profit** = Total revenue – Total costs

Profit maximization: profits can be maximized through:

- Reduce cost of production.
- Take advantage of the highest price on the market.
- Increase yield

Projected Income Statement (PIS): It is a planning tool that enables you to forecast the probable profit or loss of a business.

Costs: Amount of money spent in the acquisition of inputs/resources to produce a good or service.

Enterprise: An activity undertaken to generate income, driven by a profit motive. Profits earned may be reinvested to expand the business.

Business plan: A tool for guiding the business which lays down all resources required, specific timelines when resources will be required and where resources will come from. It translates business goals into activities thus giving direction for implementation. It must be done before starting the enterprise. A roadmap to success.

Entrepreneurship defined

A process of creating incremental wealth through exploiting existing opportunities where other sees risks. A process of starting business with intent to grow it into a viable and vibrant enterprise.

While we may all have access to factors production, the ability to make them functional is entrepreneurship.

Therefore; an entrepreneur sees **opportunities** where others see risks, generates ideas to pursue them and he is fully responsible for the success and failure. Opportunity may come to everyone but does not wait. Opportunity is when luck meets preparedness.

Characteristics of an entrepreneur

- Innovator
- Creative
- Desire to succeed
- Risk takers

- Self-confident
- Optimistic
- Goal setters
- An accountable good learner

Establishing the silage business proposition

- **Value proposition**
 - What problem are you addressing?
 - What products or services will address this problem best?
 - What value are we delivering to the farmer
- **Customer segmentation**
 - Who are your potential customers?
 - Which ones have we established?
 - How willing are they to pay for our products/services?
- **Customer relations**
 - How do you intend to build them, keep them and keep in touch?
- **Channels of distribution**
 - How will our customers find, buy and use our products or services?
 - Which one is cheaper to use?
 - Which one works best?
- **Key activities**
 - What are we going to do with our resources to deliver the products/services?
 - What are the key activities
- **Resources**
 - What goods, services and infrastructure shall we use?
- **Cost structure**
 - What is our total cost of production likely to be?
- **Revenue**
 - How will we finance our business?
 - What will be the source of our revenue?
- **Key partners**
 - Who are our supplier and service providers?
 - Which resources do we need from others?
 - Who are they?

In other words, the business proposition should be able to answer the following questions;

- What materials are required to start the business?
- What quantity of materials/items required?
- What people are you going to do the work with?
- What will be your work place or area?
- Where to sell?
- Whom to sell to?
- How much to sell?
- How to pack?
- How to inform the people?
- How to transport including storage in case of delays in exchange?

The above could be categorized as:

Inputs: Inputs are materials you need for the business.

Operational activities: These are the various stages involved in preparing the product.

Marketing activities: These are the various stages involved in preparing the product for the market

MARKETING AND MARKET INFORMATION (Module 2)

What is marketing?

Marketing is about finding out which products to produce and how to sell them in order to maximize profits. This includes the decision on what to produce, how to add value to a product, when to produce, where to sell, when to sell, to whom and at what price. Marketing is a **process** which establish the link between a customer who has a need and a supplier who can satisfy that need profitably. It involves all the things you do to sell a product.

Marketing vs Selling

Selling involves encouraging customers to buy the products and services while marketing involves looking at the entire business and how it is organized to satisfy the customer and ensure profitability.

A market

This is an arrangement which facilitates exchange of goods and services. A place where people meet to buy and sell goods and services. It is about People with needs, with money to spend, and the willingness to spend it.

$$\text{Market} = \text{People with wants/needs} + \text{Money to spend} + \text{Willingness to spend}$$

As a practice marketing consists of four elements called the 4Ps of marketing:

1. Identification, selection and development of a **product** in this particular case silage
2. Determination of its **price**, this is an ongoing task. You must consider the amount of profit desired and buyers' demand and willingness to pay
3. Selection of a distribution channel to reach the customers **placement**
4. Development and implementation of a **promotional** strategy, whose aim is to attract buyers of silage.

MARKET INTELLIGENCE (Module 3)

Market information

Market information refers to all relevant information that a business requires to produce and market their products. This helps in guiding production especially in making the right mix ratios, quantities to be produced, packaging and effective ways to reach the customer.

Marketing information system (MIS)

A set of procedures & methods designed to generate/collect, analyze, disseminate, and store information that aid in making marketing decisions on a regular and continuous basis. Timely marketing information provides a basis for making decisions such as product development or improvement, pricing, packaging, distribution, promotion, etc.

Relevancy of MIS

- The main purpose of marketing information is to support entrepreneurs/farmers/managers etc. in making marketing decisions
- Cheating & unfair pricing practices are significantly reduced when information is available to all market players
- It facilitates the flow of goods from production to consumption areas
- Access to information reduces business risks and allows market participants to explore profitable opportunities and meet consumer needs.

Uses of marketing information

- To know products that are required by the market.
- To identify potential buyers or customers
- To know selling prices and trends
- To know competitors
- To plan production schedules (time when the product is most demanded)
- To know the quality of products required by the market.

Group work

- What types of information do silage producers and end users need?
- Who will collect this information?
- How will it be accessed to by the entrepreneurs?
- What support do you need?

Market information sources

- Fellow farmers
- Local markets
- Middlemen/other producers/competitors
- Radio/TV programs and announcements
- Print media
- Market information firms like Infotrade, Agrinet, and Farm gain.
- Telephone platforms through SMS, WhatsApp
- Internet
- Partners like CHAIN, ILRI, CIP, NARO, etc.

The 4Cs of market information

1. **Customers** – know your customers
2. **Cost** – establish production, operational and marketing costs
3. **Commodity** – Silage and its performance in relation to other existing products (its attributes)
4. **Competition** – Other producers of silage as well as other companies like Mutima feeds, Biyinzika and locally placed feed mills.

FINANCIAL MANAGEMENT (Module 4)

At the end of this session participants should:

- ✓ Know the different financial statements and their composition
- ✓ Know how to develop the different financial statements
- ✓ Know how to use and interpret the different financial statements
- ✓ Know how to estimate and or calculate costs.

What is financial management?

- Financial management refers to the efficient and effective management of money (funds) in such a manner as to accomplish the objectives of the organization
- It involves planning, directing, monitoring, organizing and controlling monetary resources.

- Anything that you do to track the financial health of your business can be categorized as financial management.

Why keep financial records?

- Financial planning is the backbone of your business
- It helps detect gaps in the business (assess business performance)
- Financial records can be used in obtaining financing for the silage business
- Financial management is an “eye” for the success of your enterprise.

Important financial records to keep

Some of the key financial tools that farmers should be equipped with include;

1. Enterprise start-up budget
2. Income statement
3. Balance sheets
4. Cash flow statements

1. Enterprise Budgets

It can be developed at the start of the business or when planning for some activities. It outlines the resource requirements for the business. It can include capital requirements like land hire, production, asset acquisition etc. and non-capital requirements

Required resource	Quantity required	Unit cost	Total cost
Land			
Equipment			
Material			
Labor			
.....			


2. Income Statement

- A summary of the incomes and expenditures of a business for a given period of time
- It shows the total costs and total revenue from business operations
- It shows clearly how to calculate costs and revenues of the business

Total Income = Total Revenue – Total Cost

Simple income statement

Item	Amount
------	--------



Income (Revenue)	
Sale of silage	10,000,000
Others (hire of chopping machine)	1,000,000
Total Gross Revenue/Income	11,000,000
Expenses	
Labor, purchase of materials	6,500,000
Total Cost of good	6,500,000
Gross profit	4,500,000
Operating expenses (Fuel/Transport, stationary, Airtime etc.)	200,000
Total operating expenses	200,000
Net profit	4,300,000

3. *Balance Sheets*

- It describes the assets, liabilities and equity of a business at a particular point in time
- It shows the economic resources of the business and the claims on those resources by creditors
- It helps you to know your current (cash at hand, cash in bank, etc.) and fixed assets (land, buildings)
- The analysis involves using a number of ratios – Currents Ratio, Working capital, Quick Ration, Debt ratio etc.

Example of Balance sheet

Masaka silage center Balance sheet as at 31st December 2016

ASSETS	UGX
Cash	3,000,000
Inventory (Land, Equipment etc.)	3,350,000
Total Assets	6,350,000
LIABILITIES	
Bank loan	1,500,000
Money from money lender	400,000
Total Liabilities	1,900,000
Net assets/Owners equity	4,450,000

4. Cash Flow Statements

- A tool for assessing cash movements in the business
- It traces cash in-flows and out-flows during an accounting period
- It helps in planning for cash requirements which improves control over resources
- It is planned or developed based on other statements
- Examples of cash in-flows: sales from silage, hire of machinery, interest from savings etc.
- Examples of cash out-flows: payments to employees, other operating cash payments etc.

RECORD KEEPING (Module 5)

At the end of this session participants should:

- ✓ Know what a record is
- ✓ Know what recording keeping is and the importance of record keeping in silage business
- ✓ Be able to agree on the different records that silage entrepreneurs should keep
- ✓ Know how, when and where to keep records
- ✓ Know who and what the records are for

What is a record?

- Anything set down in writing or some other permanent form for later reference. For example, a record of total kilograms of vines chopped, kilograms of silage obtained, and kilograms sold.
- Therefore silage producers need various information hence several records needed to better manage their operations
- The maintenance of a history of one's activities as well as financial dealings
- Record keeping is the process and system of maintaining business documents so that such records can be found quickly and easily
- It is the systematic compilation of certain types of information

- Record keeping provides useful information for assessing the performance of a business any time.

Important records to keep

This depends of the purpose, for silage producers important records could include:

- ❖ Production records - labor, input, output...
- ❖ Marketing records - sale records, prices, location of buyers, demand or order forms...
- ❖ Financial records – balance sheet, cash flow and budget.

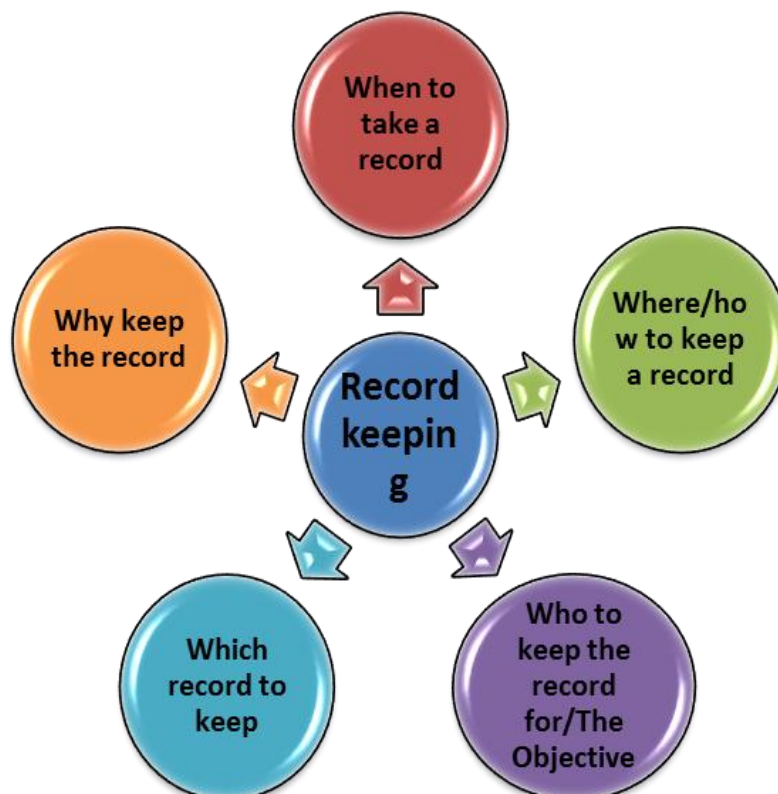
What do you benefit from keeping records?

- Monitoring **day to day** business activities
- Decision making based on past experiences – a tool for **reflection**
- Determining efficient and inefficient processes
- Obtaining support – grants, credit etc.
- Reporting taxes for large business
- Communication about the business is improved

Characteristics of good records

- It should be **simple**
- It should have **appropriate level of detail**
- It provides needed information in a **timely manner** – easy to access, well organized

Simple, I should know this!!!!



When do I take a record?

- Immediately an event occurs

- As timely as possible
- Record all necessary information
- Do not rely on recall

Where do I keep a record?

- Keep records on/in something that is durable
- Use a counter book
- An exercise book
- Filed papers
- A computer if you can

Chose the system that is easiest for you depending on available resources and your knowledge

Analysis of records

- The worth of records lies in analysis and their utilization
- This should give the actual conditions of the silage business, thus providing ways of improvements
- The analysis should inform;
 - How the business is performing – Making profits or losses
 - Whether returns are maximized
 - Where the resources lie
 - The way forward for better performance.

What is key in record keeping?

- Capture all necessary information of operations
- Develop your own format for keeping records
- Keep records in a permanent form
- Record everything immediately - Do not rely on recall.
- Analyze and utilize you records
- Stay innovative and responsive within you sweetpotato silage business.

Record keeping needs to be a well-developed system that stands alone in your business. Without it you are planning to fail. Records kept should be analyzed and used - It's not just a luxuries exercise.

Annex 6. Example of group work output (Model Canvas)

Key Partners <ul style="list-style-type: none">• Farmers (pigs, goats, cattle)• Agro vets• Feed manufactures• Researchers• Development agencies	Key Activities <ul style="list-style-type: none">• Silage making• Farmer Training	Value Propositions <ul style="list-style-type: none">• Packaged silage in different quantities & prices• After sale support• Quality assured silage	Customer Relationships <ul style="list-style-type: none">• Awareness campaigns• Feedback meetings	Customer Segments <ul style="list-style-type: none">• Livestock farmers<ul style="list-style-type: none">- Pigs- Cattle
	Key Resources <ul style="list-style-type: none">• High foraging vines• Polyethene sheet• Choppers• Land		Channels <ul style="list-style-type: none">• Agricultural exhibitions• Direct marketing	
Cost Structure <ul style="list-style-type: none">- Advertisement, Administration, Land, Salary, Purchase of choppers.			Revenue Streams <ul style="list-style-type: none">• Sale of silage• Fee-based training• Rental of choppers• Sale of feed supplements	
Social & Environmental Cost <ul style="list-style-type: none">• Training on animal waste management and use			Social & Environmental Benefit <ul style="list-style-type: none">• Food security• Employment opportunities• Fertilizer & Biogas (reduced deforestation).	

Annex 7: Photos

Group photo for farmers who attended the training in Kamuli



Group work



Training session in Masaka



Appendix 1

Capacity needs assessment of potential sweetpotato silage producers, traders and service providers

Expanding Utilization of Roots, Tubers and Bananas and Reducing Their Postharvest Losses



Prepared by:

Volunteer Efforts for Development Concerns (VEDCO)

Coalition for Health Agriculture and Income Network (CHAIN)





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I. Background

Volunteer Efforts for Development Concern (VEDCO) and Coalition for Health Agriculture and Income Network (CHAIN) were mandated under the project “Expanding Utilization of Roots, Tubers and Bananas and Reducing Their Postharvest Losses” (RTB-ENDURE) to implement activities tailored at achieving output 4, “Capacity for uptake of silage making as a business for the youth, women and men strengthened”. VEDCO and CHAIN conducted a capacity need assessment for 16 potential sweetpotato silage entrepreneurs in Kamuli and Masaka districts in Uganda. Gaps in entrepreneurship and business management capacities and skills were identified. The assessment established a benchmark for setting and prioritizing capacity building needs for silage entrepreneurship development.

II. Objectives of the capacity needs assessment

Identify and establish the main capacity gaps in business management and entrepreneurial skills of selected potential silage entrepreneurs in order to:

- Determine training needs of the silage entrepreneurs in Masaka and Kamuli districts
- Identify capacity building priorities for the sweetpotato silage business entrepreneurs
- Guide the development of the training curricula for the sweetpotato silage entrepreneurs.

III. Methodology

A capacity needs assessment was conducted to identify the training gaps of 16 potential silage business entrepreneurs in Masaka and Kamuli districts.

A purposely designed need assessment tool was developed by CHAIN and VEDCO and used during the assessment. Capacities were assessed using a scale of 1 to 4 (low understanding to expert understanding). The focus was on six skillsets:

1. Silage making: how to make good quality silage and use motorize choppers.
2. Marketing of silage: how to identify the target market and customers (including marketing mix concept).
3. Record keeping: how to keep record (types of records, when and how to record).
4. Financial management: how to use, prepare and interpret financial statements.
5. Business proposal development: how to develop bankable business idea
6. Group dynamics and leadership: including leadership, governance and functional structure, roles and responsibilities.

Data from the assessment were then analyzed. The process was guided by VEDCO and CHAIN facilitators to enable informed and accurate scores on the questionnaires.

IV. Findings of the capacity needs assessment

Kamuli district (VEDCO)

Question		Capacity-building score			
		1	2	3	4
		Low/no understanding	Basic understanding	Firm understanding	Expert understanding
Silage making	What do entrepreneurs understand about silage making principles (specifically chopping, ensiling and sealing silos)?	One entrepreneur did not receive any prior training in silage making	Entrepreneurs attended community silage making training but did not practice Entrepreneurs have basic understanding that sweetpotato silage is a highly nutritious livestock feed	Representatives from St. Bruno, Butansi piggery farmers and VEDCO center attended TOT training at Kabanyoro and community training by Dr. Kabirizi (NALIRRI) The 3 entrepreneurs above often provide training and silage making support to farmers	None
Score		1 (12.5%)	4 (50%)	3 (37.5%)	0
Marketing skills	What do entrepreneurs understand about silage marketing, promotion and packing?	None	Entrepreneurs have been marketing their local products but without prior marketing training Inadequate knowledge on market research or on how to conduct market surveys	None	VEDCO and Basangwa have received training and have experience in marketing
Score		0 (0%)	6 (75%)	0 (0%)	2 (25%)
Financial management skills	What is the entrepreneur's level of understanding of financial records (records keeping, cash flows)?	Don't keep any records. Entrepreneurs don't have even basic knowledge about financial records keeping	None	None	VEDCO center and Basangwa keep financial records
Score		6 (75%)	0	0	2 (25%)
Business proposal development	What is the capacity level to develop business	No understanding It is a new	None	None	VEDCO center and Basangwa have substantial

	proposals?	concept			understanding of business proposal development
Score		6 (75%)	0	0	2 (25%)
Group dynamics	What are the existing capacities in group marketing?	None	Entrepreneurs have been marketing individually	None	VEDCO center and Basangwa have substantial understanding of group dynamics
Score		0	6 (75%)	0	2 (25%)
Gender issues in silage business	What is the level of understanding about the importance of having both men and women involved in silage making and marketing?	None	Basic understanding of gender risks and benefits gained during the business plan training	VEDCO has a good understanding of gender issues	
Score		0	7 (87.5%)	1 (12.5%)	0
Total Score		13 (27%)	23 (48%)	4 (8%)	8 (17%)

Needs assessment: Based on the responses, what gaps exist and what steps are needed to build capacities and fill those gaps?

- Marketing skills: 75% of the silage business entrepreneurs had basic understanding (specifically on market research and how to market the silage)
- Financial management: 75% of the entrepreneurs had low or no understanding (specifically records keeping)
- Silage making: 12.5% of the business entrepreneurs had no understanding of silage making especially the new entrepreneurs who had not been trained before; 50% of the entrepreneurs had basic knowledge on silage making (had been trained before)
- Gender issues in silage making: 87.5% of the silage entrepreneurs had basic knowledge on gender risks and benefits (was a topic of the business plan training conducted by VEDCO).

Way forward

A suitable training curriculum will be developed for topics with the low/no or basic understanding and these will include business proposal development (75%), financial management skills (75%), marketing skills (75%), and gender issues (87.5%). The training topics will be prioritized in relation to their contribution to attainment of output 4 of the project.

Masaka district (CHAIN)

Question		Capacity needs assessment score			
		1	2	3	4
		Low/no understanding	Basic understanding	Firm understanding	Expert understanding
Silage making	What do entrepreneurs understand about silage making principles (specifically chopping, ensiling and sealing silos)?	They received few trainings on silage, so their understanding is very limited, but they want to learn more because they will do it	They have attended the training and acquired basic knowledge but they need more training on silage making and use of choppers	None	CHAIN has two field officers who have been training others and know very well what silage is and how it is made.

Score		3 (37.5%)	4 (50%)	0	1 (12.5%)
Marketing skills	What do entrepreneurs understand about silage marketing, promotion and packing?	None	Entrepreneurs attended the training and learnt the concepts but they need more training specifically on marketing because is very essential if they are to succeed	None	Since the CHAIN center will be managed by professionals who can market the business, CHAIN does not have any problem in marketing
Score		0	7 (87.5%)	0	1 (12.5%)
Financial management skills	What is the entrepreneur's level of understanding of financial records (records keeping, cash flows)?	None	After the business plan training farmers got some skills on record keeping and maintaining financial records but they strongly need more trainings	None	CHAIN know the importance of financial and record management. CHAIN staff have been practicing it but volunteers were recruited to help in silage business and they need more training
Score		0	7 (87.5%)	0	1 (12.5%)
Business proposal development	What is the capacity level to develop business proposals?	None	After the business plan training conducted by CHAIN, they gained a basic understanding on how to write a business plan	CHAIN and SEENA have benefitted of many trainings on business proposal. They have a good understanding and can develop business proposals	None
Score		0	6 (75%)	2 (25 %)	0
Group dynamics	What are the existing capacities in group marketing?	They have never tried managing a group and marketing collectively and strongly need trainings on group dynamics and marketing	They have a group which has been in operation for some years, but they need some training in collective business management	They are already operating in groups and they know how about group management and collective marketing	None
Score		3 (37.5%)	2 (25%)	3 (37.5%)	0
Gender issues in silage business	What is the level of understanding about the importance of having both men and women involved in silage making	They have heard nothing about it. But they said it has little value when operating silage business	They attended the training organized by CIP	None	None

	and marketing?				
Score		3 (37.5%)	5 (62.5%)	0	0
Final Score		9 (19%)	31 (65%)	5 (10%)	3 (6%)

Needs assessment: Based on the responses, what gaps exist and what steps are needed to build capacities and fill those gaps?

- Marketing skills: 87.5% with basic understanding
- Financial & record management: 87.5% with basic understanding
- Business proposal development: 75% with basic understanding
- Gender issues in silage business: 62.5% with basic understanding
- Silage making: 50% with basic understanding.

Suggestions made by silage entrepreneurs

- They need more training especially in silage making, use of choppers, marketing, records and financial management, group dynamics and sustainability of the business.
- The project can procure good choppers and give them on credit with no interest rate.
- CHAIN feedback on the progress of their business plans should not take long.

Way forward

A suitable training curriculum will be developed for topics with the low/no or basic understanding

V. Training priorities

A meeting was held with VEDCO and CHAIN to discuss the results of the needs assessment and identify the focus of the upcoming trainings. The skillsets where capacities were the weakest were selected as below (proportion of respondents with no to basic understanding).

Skill set	Score VEDCO	Score CHAIN	Average score	Ranking	Comment
Gender issues in silage business	87.5%	100%	94%	1	Important but training and sensitization handled by CIP
Marketing skills	75%	87.5%	81%	2	Important for entrepreneurship development
Financial & record management	75%	87.5%	81%	2	Important for entrepreneurship development
Business proposal development	75%	75%	75%	4	Some aspects to be handled under business plan development
Silage making	62.5%	87.5%	75%	4	Important but training handled by CIP, ILRI and NALIRRI

Group marketing	75%	62.5%	69%	6	Important entrepreneurship development for
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VI. Topics prioritized

- Marketing skills
- Financial & record management
- Group marketing

VII. Capacity assessment team

Topic	Responsible
Introduction and Acquaintances	Kizito and Kato
Objectives & Expectations	Grace and Joseph
Role of VEDCO and CHAIN	Grace and Joseph
Participatory Diagnosis (Q&A)	Grace, Kizito, Kato and Joseph
Wrap up for the day: concerns, questions, etc.	Grace and Joseph

VIII. List of assessed sweetpotato silage entrepreneurs

No.	Organization	Sweetpotato silage entrepreneurs
1	VEDCO	Kiwungu youth Tweekembe silage processors(KIYOTSP
2		Butansi Piggery Farmers' Group
3		ST. Bruno silage processors
4		Twino Mujuni silage processors
5		Isabirye Robert silage processor
6		Basangwa Johnson
7		Badagawa George
8		VEDCO business center
9	CHAIN	SSENA business center
10		Masaka Diocesan youth organization
11		Sam Ssekyondwa
12		GMT enterprises
13		CHAIN business center
14		Affirmative action for development women based organization
15		Agro-pig feeds Uganda
16		Musawo quality feeds and services

Appendix 2

Training Curriculum: Entrepreneurship Skills Training For Potential Sweetpotato Silage Entrepreneurs

*Expanding Utilization of Roots, Tubers and Bananas
and Reducing Their Postharvest Losses*



Prepared by:

Volunteer Efforts for Development Concerns (VEDCO)

Coalition for Health Agriculture and Income Network (CHAIN)



TRAINING CURRICULUM FOR SILAGE BUSINESS

The training curriculum was developed after conducting a capacity needs assessment. The capacity needs assessment was conducted among the 16 selected silage business entrepreneurs in Masaka and Kamuli to determine their training gaps in business management and entrepreneurship. The curriculum is structured according to findings of the needs assessment and every module has the objective, course outline, time for delivery and materials needed.

The following are the modules to be used while conducting business and entrepreneur skills:

1. Business enterprise
2. Marketing
3. Market Intelligence
4. Financial management
5. Record keeping

Module 1: Business enterprise

Learning Objective		Time	Materials to use
To understand what a business is			<ul style="list-style-type: none"> • Flip chart, • Markers • Tape • Books • Pens • Session chart
Session	Course outline		
	Introduction	30 minutes	
Session 1	Silage as a business venture	30 minutes	
Session 2	Considerations to start a business	30 minutes	
Session 3	Why silage as a business?	30 minutes	
Session 4	Element of silage as a business	30 minutes	
Session 5	Requirements for a successful silage business	30 minutes	
Session 6	Important concepts of a business	1 hour	
Session 7	Characteristics of an entrepreneur	30 minutes	
Session 8	Opportunity identification	1 hours	
Session 9	Innovations	30 minutes	
Total		6 hours	

Module 2: Marketing

Learning objectives		Time	Materials to use
By the end of the session, participants will: <ul style="list-style-type: none"> • Understand basic marketing concepts and functioning • Understand the meaning and importance of market information • Understand the need for a marketing committee and put a marketing committee in place 			<ul style="list-style-type: none"> • Flip chart, markers, tape • Session Chart • Market Actors Card Set • 6 Ps Chart Set
Sessions	Course outline		
Sessions 1	Introduction	15 minutes	
Sessions 2	Current and desired market situation	1 hour, 30 minutes	

	<ul style="list-style-type: none"> Marketing as a group 		
Sessions 3	Basic marketing <ul style="list-style-type: none"> The market chain Supply and demand The marketing mix (6 Ps) 	1 hour	
Sessions 4	Selecting a marketing committee Why a marketing committee Role of marketing committee	1 hour	
Session 5	Branding and packaging	1 hour	
Sessions 6	Gender roles in marketing	1 hour	
Total		5 hrs 45 minutes	

Module 3: Market Intelligence

Learning objectives	Time	Materials to use
By the end of the session, participants will: <ul style="list-style-type: none"> Understand the meaning of market information and market intelligence Appreciate the need to have updated market information Understand the kind of market information they need and how they can use it Understand where and how to access updated market information 		<ul style="list-style-type: none"> Flip chart, markers, tape Session Chart Market Intelligence Story
Sessions	Course outline	
Sessions 1	Introduction	15 minutes
Sessions 2	Market Intelligence <ul style="list-style-type: none"> Meaning Benefits of market intelligence 	1 hour
Sessions 3	Market information <ul style="list-style-type: none"> Types of market information Benefits of market intelligence 	1 hour
Sessions 4	Market information systems Market information used now Available market information in your area	1 hour
Sessions 5	How to improve market intelligence (group work) <ul style="list-style-type: none"> What information is needed improve your business Where will you get the information from? Who will collect this information? How will you use this information? How will you make sure this information is reached by all group members? 	1 hour

	<ul style="list-style-type: none"> What support do you need 		
Sessions 6	Way forward	30 minutes	
Sessions 7	Session closing	15 minutes	
Total		5 hours	

Module 4: Financial Management

Learning Objective		Time	Materials to use
To improve the financial skills of the entrepreneurs			<ul style="list-style-type: none"> Flip chart, Markers Tape Books Pens Session chart
Session	Course outline		
Session1	Introduction	30 minutes	
Session 2	What is financial management?	30 minutes	
Session 3	Why keep financial records?	30 minutes	
Session 4	Importance of financial records	30 minutes	
Session 5	Know different financial statements and their composition (cash flow and income statement)	1 hour	
Session 6	Know how to develop different financial statements	1 hour	
Session 7	Know how to use and interpret the different financial statements	1 hour	
Session 8	Saving and credit	1 hour	
Total		6 hours	

Module 5: Records Keeping

Learning objectives		Time	Materials to use
By the end of the session, participants will: <ul style="list-style-type: none"> Understand the meaning and importance of keeping records Know how to keep basic agribusiness records 			<ul style="list-style-type: none"> Flip chart, markers, tape Session Chart Existing group records or group member records Samples of good records Record template handouts Exercise books to keep records
Sessions	Course outline		
Sessions 1	Introduction	15 minutes	
Sessions 2	What is record What is recording keeping What are business records	30 minutes	
Sessions 3	The importance of record keeping	30 minutes	
Sessions 4	Different types of business records	1 hour	
Sessions 5	How, where, what and when to keep business records	2 hour	
Sessions 6	Way forward	30 minutes	
Sessions 7	Session closing	15 minutes	
Total		5 hours	